

UNIFIED SCHOOL DISTRICT NO. 426
SCANDIA, KANSAS

INDEPENDENT AUDITOR'S REPORT
REGULATORY BASIS FINANCIAL STATEMENTS

JUNE 30, 2018

BRUNA AUDITING SERVICES LLC
DEREK BRUNA
CERTIFIED PUBLIC ACCOUNTANT
WASHINGTON, KANSAS

Unified School District No. 426
Scandia, Kansas

Financial Statements

For the fiscal year ended June 30, 2018

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Unified School District No. 426
Scandia, Kansas 66966

I have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 426, as of and for the year ended June 30, 2018 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note A to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statement based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require I plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A of the financial statement, the financial statement is prepared by the Unified School District No. 426 to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In my opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District No. 426 as of June 30, 2018, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In my opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District No. 426 as of June 30, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note A.

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds, and schedules of regulatory basis receipts, expenditures, and unencumbered cash – district activity funds, (Statements 2, 3, 4, and 5 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

I also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District No. 426 as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated September 11, 2017, which contained an unmodified opinion on the basic financial statement. The 2017 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2017 actual column (2017 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2018 (Statement 3 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2017 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statement. The 2017 comparative information was subjected to the auditing procedures applied in the audit of the 2017 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2017 basic financial statement or to the 2017 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2017, on the basis of accounting described in Note A.

Bruna Auditing Services LLC

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Derek Bruna, CPA

December 10, 2018

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426
Scandia, Kansas

SUMMARY OF RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
Regulatory Basis
For The Year Ended June 30, 2018

Fund	Statement Number	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances & A/P	STATEMENT 1	
								Ending Cash	Balance
General Fund	3-1	\$ 49	\$ 0	\$ 2,072,532	\$ 2,072,458	\$ 122	\$ 1,607	\$ 1,729	
Supplemental General	3-2	37,400	0	680,350	689,539	28,211	1,421	29,632	
Special Purpose Funds:									
Capital Outlay Fund	3-3	495,395	0	228,810	165,310	558,894	0	558,894	
Driver Training	3-4	10,787	0	9,863	8,477	12,173	0	12,173	
At Risk-(K 12) Fund	3-5	140,574	0	222,486	178,060	185,000	0	185,000	
Food Service Fund	3-6	45,885	0	197,369	194,148	49,106	0	49,106	
Professional Development Fund	3-7	16,107	0	12,230	2,492	25,845	0	25,845	
Special Education Fund	3-8	218,232	0	304,770	314,576	208,426	0	208,426	
Career & Post Secondary Education Fund	3-9	139,431	0	153,011	147,442	145,000	0	145,000	
At Risk 4 Year Old	3-10	0	0	17,026	17,026	0	0	0	
Textbook Rental Fund	3-11	40,522	0	6,496	26,794	20,224	743	20,967	
Employee Benefit Fund	3-12	1,027	0	0	0	1,027	0	1,027	
Title II A-Teacher Quality Fund	3-13	0	0	6,110	6,110	0	0	0	
Title IV-Current	3-14	0	0	41,366	41,366	0	0	0	
Title IV-A	3-15	0	0	1,000	1,000	0	0	0	
KPERs Retirement Fund	3-16	0	0	175,772	175,772	0	0	0	
Contingency Reserve Fund	3-17	198,121	0	0	0	198,121	0	198,121	
Gift Fund	3-18	17,604	0	15,948	19,220	14,331	0	14,331	
Federal Reap Fund	3-19	0	0	27,585	27,585	0	0	0	
Payroll Clearing Fund	3-20	3,467	0	10,886	14,353	0	0	0	
Character Education	3-21	0	0	0	0	0	0	0	
Activity Fund	5	4,707	0	101,106	99,872	5,941	0	5,941	
Total Reporting Entity (Excluding Agency)		\$ 1,369,308	\$ 0	\$ 4,284,715	\$ 4,201,601	\$ 1,452,422	\$ 3,771	\$ 1,456,193	
Total Reporting Entity (Excluding Agency/Activity)		\$ 1,364,601	\$ 0	\$ 4,183,609	\$ 4,101,729	\$ 1,446,481	\$ 3,771	\$ 1,450,252	

Composition of Cash				Total Cash	
Investments				Less Agency Funds (Statement 5)	(41,242)
Money Market Accounts	\$ 0	Op Accounts-District	825,252	Total Cash Excluding Agency/Trust Funds	1,456,193
Money Market Accounts Other	0	Op Accounts-Agency/Activity Funds	47,183	Total Cash Excluding Agency/Activity/Trust Funds	1,450,252
Certificate of Deposit	625,000	Trust Funds	192,359		

UNIFIED SCHOOL DISTRICT NO. 426
Scandia, Kansas
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Unified School District No. 426 is a municipal Corporation established under Kansas Statute. All USDs in Kansas are required to be audited under K.S.A. 75-1122. The District is governed by an elected seven member board. The financial statements present the financial condition and results of operation of the district. The District's major operations include primary and secondary education for young people. The scope of the entity for financial reporting purposes is designed as those funds for which the District has oversight responsibility and is primarily accountable. Oversight responsibility includes budgetary authority and fiscal management responsibility. Budgetary authority is defined as authority for final approval of budgetary appropriations and revisions. Fiscal management responsibility is control of the collection and disbursement of funds.

This report is intended solely for the information and use of the Board of Education and management of USD 426, and for filing with the Kansas Department of Administration, Division of Accounts and Reports, and Kansas State Board of Education, and should not be used for any other purposes.

The Kansas Municipal Audit and Accounting Guide will be referred to as KMAAG throughout the notes.

Basis of Presentation/Fund Description

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restricts, or limitations. The following are Regulatory Basis Fund Types:

Governmental Funds

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose fund – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital project fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

Fiduciary Funds:

Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

Basis of Accounting-KMAAG Regulatory Basis of Accounting (Formerly Statutory Basis)

The KMAAG regulatory audit requirement of K.S.A. 75-1122 applies to each individual municipality as defined in K.S.A. 75-1117. The KMAAG regulatory financial reporting entity is comprised of the "municipality" as defined in K.S.A. 75-1117, as a minimum, and may also include certain separate legal entities referred to as "related municipal entities" as defined by KMAAG.

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

GAAP Basis Financial Statements - Minimum Requirements. GAAP basis financial statements are financial statements prepared in accordance with

UNIFIED SCHOOL DISTRICT NO. 426
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NOTES TO FINANCIAL STATEMENTS
June 30, 2018

"Governmental Accounting and Financial Reporting Standards" as promulgated by the Governmental Accounting Standards Board (GASB). For KMAAG purposes, if GAAP basis financial statements are presented, the basic financial statements and notes must be presented at a minimum. All other supplemental schedules are optional. However, the KMAAG mandatory note disclosures (if applicable) must still be presented even though they might not otherwise be required by GAAP to be included in the notes. KMAAG does not provide an example of GAAP financial statements.

Regulatory Basis Financial Statements - Minimum Requirements. If GAAP basis financial statements are not presented, then: 1) a GAAP waiver resolution must be passed, and 2) regulatory basis financial statements including regulatory-required supplementary information, must be presented. Regulatory basis financial statements are financial statements prepared in accordance with the guidelines of KMAAG. Such financial statements are prepared on a basis of accounting which demonstrates compliance with the cash basis and budget laws of the State of Kansas and prepared in accordance with the prescribed format established by KMAAG.

The regulatory basis financial statement consists of a single basic financial statement which is a summary statement containing all funds and related municipalities included in the financial reporting entity and demonstrating compliance with the cash basis law. The remainder of the required financial information to be presented is considered regulatory-required supplementary information which includes 1) a fund summary schedule containing all funds and showing compliance with the budget law for those funds required to be budgeted, 2) individual fund schedules for all funds except agency funds, with budget comparisons for those funds required to be budgeted, 3) a fund summary schedule, for agency funds only, showing cash balances and changes therein, and 4) special schedules unique to the municipality. Note: Regulatory-required supplementary information are the additional schedules that are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide and are not to be considered as required supplementary information as defined by auditing standards generally accepted in the United States of America. In addition, the KMAAG mandatory note disclosures must be presented and must include all disclosures necessary for fair presentation in accordance with the KMAAG regulatory basis framework. All other schedules that may be presented are optional.

Departure from GAAP

A waiver from the requirement to prepare and audit GAAP basis financial statements is necessary *only if* the municipality decides to present regulatory basis financial statements. A waiver is not required for financial statements that are prepared in accordance with the GAAP basis framework but include certain departures from GAAP. For example, if GAAP financial statements are presented but do not include the management discussion and analysis, this would be a departure from GAAP. However, even lacking the management discussion and analysis required supplementary information, the basic financial statements may still be presented on a GAAP basis framework, thus a waiver would not be required. The District has approved a resolution that is compliance with K.S.A. 75-1120a(c) waiving the annual for application of GAAP for the year ended 6/30/18. This waiver is completed annually and allows the District to use the regulatory basis of accounting.

The basis of accounting described above results in a financial statement presentation, which shows cash receipts, cash disbursements, cash and unencumbered cash balance, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General fixed assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statement.

Reimbursed Expenses

The purpose of these expenditures is to repay the district for amounts remitted on behalf of another party and such expenditures are exempt for the budget law under K.S.A. 79-2934. Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement. The Municipality records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis accounting.

2017 Financial Data

Amounts that are shown for 2017 in the accompanying financial statements are included where practical, only to provide a basis for comparison with 2018, and are not intended to present all information necessary for a fair presentation in accordance with generally accepted accounting principles.

Cash and Investments

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost. These liquid assets are shown in aggregate. K.S.A. 12-1671 and 12-1672 allow these assets to be shown in aggregate. Time deposits are carried at cost plus accrued interest.

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The carrying amount of deposits is separately displayed as cash and investments.

General Fixed Assets

General fixed assets purchased are recorded as expenditures at the time of purchase, except for assets acquired with federally assisted funds. Assets of the School District are not recorded in a permanent set of records.

Vouchers Payable

Vouchers payable are classified on the basis of a claim for payment resulting from legal title to property.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. In addition, encumbrances do constitute expenditures of a fund.

Unencumbered Cash Balance

The unencumbered cash balance is the unobligated resources of cash and time deposits of a fund.

Bonds Payable

Bonds which are outstanding at the end of the fiscal year.

Ad Valorem Tax Revenue

The determination of assessed valuation and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser's Office annually the determination of assessed valuation and the collections of property taxes for all political subdivisions in determines assessed valuation and the County Clerk spreads the annual assessment on the tax rolls. One- half of the property taxes are due December 20 and distributed to the District by January 20 to help finance the current year's budget. The second half is due May 10 and distributed to the District June 5. The District Treasurer draws all available funds from the County Treasurer's Office at designated times throughout the year.

Budgetary Data

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service fund. The statutes provide for the following sequence and time table in the adoption of the annual operating budget:

- Preparation of the budget for the succeeding calendar year on or before August 1st.
- Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
- Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increase in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication the hearing may be held and the governing body may amend the budget at that time. These taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20 and May 10. Delinquent taxes are assessed interest at 9% per annum. This interest is retained by the County.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budget receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditures authority) lapse at year-end.

A legal operating budget is not required for trust funds, agency funds, and the following special revenue funds: Textbooks and Student Materials, Athletic Gate Receipts and other School Agency/Activity Funds, Fee and User Charges/Clearing Accounts, Contingency Reserve, Employee Benefits, Health Care Reserve Fund, Title IIA-Teacher Quality, Title I, Title IV, and Federal Funds.

Spending in funds which are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

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Inventories and prepaid expenses which benefit future periods are recorded as an expenditures during the year of purchase. For disclosure purposes, material inventories would be reported as an asset offset by a reserve. The district had no material inventories.

The process of preparing financial statements requires the use of estimates and assumptions regarding certain types of revenues, expenditures, and fund balances. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance With Kansas Statutes and Other Finance Related Legal Matters

There are no noted violations with such compliance requirements.

K.S.A. 12-1664 authorizes the financing from local sources for expenditures to be reimbursed by the federal government.

NOTE C- DEPOSITS AND INVESTMENTS

Deposits

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk. Cash balances from all funds are combined and invested to the extent available in certificates of deposits and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Municipality's deposits may not be returned to it. State statutes require the Municipality's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2018.

At year-end the carrying amount of the district's deposits, including certificates of deposit and money market accounts was \$1,497,435. The district checking account balance was \$825,252 and activity/agency operating accounts had a balance of \$47,183.. The District had CDs for \$825,000 this fiscal year ended. Any differences between the carrying amount and the bank balance are outstanding checks and deposits in transit. Of the bank balance, \$500,000 was covered by FDIC insurance and the remaining balance was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the district's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a third-party custodial agreement signed by all three parties: the district, the pledging bank, and the independent third-party banks holding the securities.

Investment Policy

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit investment choices. Funds of the district were on deposit in interest bearing accounts in banks and Certificates of Deposits issued by banks at June 30, 2018.

The cash of each of the funds of the district is pooled together so that better management of cash and investments can be practiced, resulting in greater earnings accruing to the district. Please refer to Statement 1 to review how the various funds are accruing interest.

Concentration of Credit Risk

State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk -- Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Municipality will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE D- FRINGE BENEFIT PLAN I.R.C. 125

The District has in place an IRS-IRC Section #125 "Cafeteria" Fringe Benefit Plan. The options under the plan are salary reduction options. In addition, each employee may choose to take the benefit in cash, a taxable option. Employees that are eligible for the plan are all full time employees. The plan year runs from October 1 to September 30 annually. The maximum benefit allowance per employee is \$2500/yr for the year ended June 30, 2018. Provisions available are:

Group Health Insurance

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Group Term Life Insurance (\$50,000 maximum) Salary Protection Insurance
Cancer Insurance
Medical/Dependent Care Reimbursement Accounts

NOTE E- CONTINGENT LIABILITIES

The district has not computed or recorded the potential liability for sick/vacation leave that is available to all full time employees. The amount varies by position. (Please refer to the negotiated agreement for further specification.)

NOTE F- COMPENSATED ABSENCES

The district's policy wherein each qualified employee is allowed to accumulate a maximum of 75 days of sick leave at a rate of 9 sick days and 3 personal days per term. Teachers are to be reimbursed at the rate of \$50 per day for any unused sick leave accumulated over the maximum of 75 leave days. The maximum reimbursement is \$250/teacher per year. Any unused accumulated sick leave may be used by the employee during his/her employment with the district. If employment is severed, the unused accumulated amount is not reimbursed. Employees can convert 2 unused sick leave to 1 personal day. There is no merit pay provision in the schools negotiated agreement nor is there a good health or absentee benefit. Teachers are granted 2 days personal leave per contract year.

NOTE G- DEFINED BENEFIT PENSION PLAN

Plan description

The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium for the period of July 1, 2017 through September 30, 2017 for the Death and Disability Program) was 10.81% for the fiscal year ended June 30, 2017. The actuarially determined employer contribution rate was 12.01% for the fiscal year ended June 30, 2018. Per 2016 House Substitute for Senate Bill 161, Section 98(a)(1), state general fund and expanded lottery act revenue funds for employer contributions to KPERS were deferred. The amount deferred for school contributions was \$92,917,091 for the fiscal year ended June 30, 2016 and the anticipated repayments per SB249 were nullified per HB2052 during fiscal year 2017. The State of Kansas contribution to KPERS for all school municipalities for the year ending June 30, 2017, received as of June 30th was \$304,596,361. Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by \$64,130,234 for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million dollars per year. The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The School District is responsible for the employer's portion of the cost for retired District employees. The School District received and remitted amounts equal to the statutory contribution rate, which totaled \$175,772 for the year ended June 30, 2018. The State of Kansas contributed 12.01% of covered payroll during fiscal year 2018, excluding the Group Death & Disability Insurance rate. During fiscal year 2019, the State of Kansas will contribute 13.21% of covered payroll. The State of Kansas contribution to KPERS for all school municipalities for the year ending June 30, 2018, received as of June 30th, was \$446,603,946.

Net Pension Liability

At June 30, 2018, the School District's proportionate share of the collective net pension liability reported by KPERS was \$2,397,328. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The School District's proportion of the net pension liability was based on the ratio of the School District's contributions to KPERS, relative to the total employer and nonemployer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2017. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement. The complete actuarial valuation report including all actuarial assumptions and methods, and

UNIFIED SCHOOL DISTRICT NO. 426
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NOTES TO FINANCIAL STATEMENTS
June 30, 2018

the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

NOTE H- RISK FINANCING AND RELATED INSURANCE ISSUES

The district is exposed to various risks of loss related to torts; theft of, damage to; and destruction of assets; errors and omissions; injuries to employees; and nature disasters. The district continues to carry insurance for all risks of loss including workers compensation. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

NOTE I- FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value amounts for cash and cash equivalents approximate carrying amounts due to the short maturities of these instruments. Financial instruments that subject the district to significant concentration and credit risk consist of cash and cash equivalents. The district places its cash in market interest rate accounts and are insured fully by FDIC coverage and pledged securities with fair market value equal to or greater than its cash and cash equivalents.

NOTE J- FIDUCIARY/TRUST TYPE FUNDS

The District has under its control a non-expendable trust fund for the purpose of awarding scholarships to graduates of Pike Valley High School to assist them in continuing their education. The balances at 06/30/17 and 6/30/18 were \$134,797 and \$132,359 respectively. (Please Refer to Statement 4 for breakdown.)

NOTE K- OTHER POST-EMPLOYMENT BENEFITS

As provided by K.S.A 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements. Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

NOTE L- IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$143,352 subsequent to June 30, 2018 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2018.

NOTE M- LONG-TERM DEBT

The District currently has no long-term debt issued.

NOTE N- CAPITAL PROJECT COMPLIANCE

The District currently has no capital projects being undertaken.

NOTE O- LITIGATION CONTINGENCIES

The District currently has no litigation contingencies that it is involved in.

NOTE P- COMMITMENT AND CONTINGENCIES

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the District at June 30, 2018.

NOTE Q- SUBSEQUENT EVENTS

These financial statements considered subsequent events through December 10, 2018 the date the financial statements were available to be issued.

NOTE R- RISK MANAGEMENT

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the district carries insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 5 INTER-FUND TRANSACTIONS

Recurring annual transfers between budgetary funds for the purpose of shifting resources from the fund legally required to receive the revenue, to the fund authorized to expend the revenue, have been segregated from normal revenues and expenditures for reporting purposes are are:

FROM	TO	2018	2017
General	Food Service	\$ 45,000	\$ 45,000
General	Driver Training	8,000	7,000
General	Inservice	10,000	5,000
General	Special Education	225,770	207,876
General	Capital Outlay	37,585	15,000
General	Supplemental	0	68,478
General	Title I	7,674	0
General	Clearing	1,011	0
General	KPERS	0	110,696
General	Vocational Education	4,254	0
General	At Risk 4 year	15,286	0
	Totals	354,580	459,050
Supplemental General	Food Service	0	0
Supplemental General	Vocational Education	145,000	140,000
Supplemental General	Special Education	79,000	147,662
Supplemental General	At Risk	222,486	145,000
Supplemental General	Driver Training	0	0
Supplemental General	Textbooks	0	0
	Totals	446,486	432,662
	Totals	801,066	891,712

The above transfers are included in the expenditures of the disbursing fund and included in the revenues of the receiving fund as required by the Cash Basis and Budget Laws of Kansas, and for budget comparison purposes.

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 Scandia, Kansas
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE T INTER-GOVERNMENTAL ASSISTANCE-STATE

Type of Aid	2018	2017
General State Aid	\$ 1,500,241	\$ 1,356,919
Block Grant	0	0
Supplemental State Aid	119,058	171,194
School District Mill Levy	340,227	347,431
Capital Outlay	5,083	13,174
Professional Development	2,230	0
State Safety	1,792	2,176
Food Service Aid	1,554	1,631
Special Education		193,624
KPERS Employer Cont.	175,772	110,696
Totals	2,145,957	2,196,845

NOTE U FEDERAL ASSISTANCE

Type of Aid	2018	2017
Reserve Fund	0	1,550
Title I Current	33,692	37,381
Title II Teacher Quality	0	8,090
Food Service	90,468	98,851
Youth Risk Behavior	150	0
Supporting Effective	6,110	0
Early Learning	1,740	0
Special Ed	1,254	0
Academic Enrich	1,000	0
Totals	134,414	145,872

Federal programs in which the school district participated have specified for what purpose funds are to be expended. All funds unexpended at June 30, 2018 are restricted to federal program specified expenditures.

**REGULATORY - REQUIRED
SUPPLEMENTARY INFORMATION**

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426
Scandia, Kansas

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended June 30, 2018

STATEMENT 2

Fund	Statement Number	Certified Budget		Adjustments		Adjustments For		Total Budget		Expenditures		Variance	
				To Comply	With Legal Max	Qualifying	Budget Credits	For	Comparison	Chargeable To	Current Year	Over	(Under)
General Funds:													
General Fund	3-1	\$	2,127,587	\$	(102,554)	\$	46,294	\$	2,071,327	\$	2,072,458	\$	1,131
Supplemental General	3-2		685,000		0		0		685,000		689,539		4,539
Special Purpose Funds:													
Capital Outlay	3-3		355,000		0		0		355,000		165,310		(189,690)
Driver Training	3-4		8,910		0		0		8,910		8,477		(433)
At Risk (K-12)	3-5		209,120		0		0		209,120		178,060		(31,060)
Food Service	3-6		218,100		0		0		218,100		194,148		(23,952)
Professional Development	3-7		5,500		0		0		5,500		2,492		(3,008)
Special Education	3-8		394,622		0		0		394,622		314,576		(80,046)
Career & Post Secondary Ed	3-9		150,600		0		0		150,600		147,442		(3,158)
At Risk (4 Yr Old)	3-10		32,642		0		0		32,642		17,026		(15,616)
KPERs Retirement	3-16		176,007		0		0		176,007		175,772		(235)
TOTALS		\$	4,363,088	\$	(102,554)	\$	46,294	\$	4,306,828	\$	3,965,301	\$	(341,527)

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426
Scandia, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended June 30, 2018
(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-1

	<u>GENERAL FUND</u>			
	Prior Year	Current Year		
	Actual	Actual	Budget	Variance Over
	Transactions	Transactions		(Under)
Statutory Revenues				
Taxes in Process	\$ 0	\$ 0	\$ 0	\$ 0
Ad Valorem Property Tax	0	0	0	0
Capital Outlay	0	0	0	0
General State Aid	1,704,350	1,840,468	1,891,942	(51,474)
Special Education Aid	193,624	185,770	235,596	(49,826)
Pre-school Tuition	15,156	14,893	0	14,893
Misc	19,535	10,703	0	10,703
Interest on idle funds	0	0	0	0
Reimbursements	34,035	20,697	0	20,697
KPERS	110,696	0	0	0
Total Statutory Revenues	<u>\$ 2,077,396</u>	<u>\$ 2,072,532</u>	<u>\$ 2,127,538</u>	<u>\$ (55,006)</u>
Expenditures				
Instruction	\$ 823,656	\$ 816,778	\$ 891,500	\$ (74,722)
Student Support Services	75,373	42,939	72,900	(29,961)
Instructional Support Staff	13,167	17,420	7,115	10,305
General Administration	369,401	156,809	122,550	34,259
School Administration	0	228,211	225,500	2,711
Operations and Maintenance	234,684	271,965	292,529	(20,564)
Student Transportation Services	170,586	183,226	252,255	(69,029)
Outgoing Transfers	390,572	355,110	263,238	91,872
Adj. To Comply With Legal Max	0	0	(102,554)	102,554
Adj. For Qualifying Budget Credits			46,294	(46,294)
Total Expenditures	<u>\$ 2,077,439</u>	<u>\$ 2,072,458</u>	<u>\$ 2,071,327</u>	<u>\$ 1,131</u>
Cash Receipts Over (Under) Expenditures	(43)	73		
Modified Unencumbered Cash - Beginning	92	49		
Prior Year Cancelled Encumbrances				
Unencumbered Cash - Ending	<u>\$ 49</u>	<u>\$ 122</u>		

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426

Scandia, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2018

(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-2

SUPPLEMENTAL GENERAL FUND

	Prior Year Actual Transactions	Current Year		
		Actual Transactions	Budget	Variance Over (Under)
Statutory Revenues				
Taxes in Process	\$ 0	\$ 0	\$ 0	\$ 0
Ad Valorem Property Tax	454,701	512,779	10,368	502,411
Reimbursements	0	8,749	0	
Delinquent Tax	6,027	3,893	5,804	(1,911)
Motor Vehicle Tax	31,884	25,908	38,406	(12,498)
Taxes in Lieu of Payments	0	52	0	52
Machinery & Equip	6,502	7,724	0	7,724
Watercraft RC	358	273	0	273
Transfers	68,477	0	0	0
Recreational Vehicle/Commercial Vehicle	2,202	1,913	1,487	426
State Aid	102,716	119,058	122,409	(3,351)
Total Statutory Revenues	\$ 672,867	\$ 680,350	\$ 178,474	\$ 493,127
Expenditures				
Instruction	\$ 211,262	\$ 211,445	\$ 170,200	\$ 41,245
Instructional Support Staff	28,794	31,005	0	31,005
Operations and Maintenance	0	603	0	603
General Administration	0	0	30,000	(30,000)
Transportation	0	0	0	0
Outgoing Transfers	432,662	446,486	444,800	1,686
Adj. For Qualifying Budget Credits	0	0	0	0
Total Expenditures	\$ 672,718	\$ 689,539	\$ 645,000	\$ 44,539
Cash Receipts Over (Under) Expenditures	149	(9,189)		
Modified Unencumbered Cash - Beginning	37,251	37,400		
Prior Year Cancelled Encumbrances				
Unencumbered Cash - Ending	\$ 37,400	\$ 28,211		

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Scandia, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended June 30, 2018
(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-3

CAPITAL OUTLAY FUND

	Current Year			
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Taxes in Process	\$ 0	\$ 0	0	\$ 0
Ad Valorem Tax	158,726	166,409	172,882	(6,473)
Current Tax	0	0	0	0
Delinquent Tax	1,096	1,252	3,019	(1,767)
Other Local	1,522	0	0	0
Commercial/Motor Vehicle/RV Tax	9,270	8,478	17,897	(9,419)
Interest on Idle Funds	4,088	7,754	0	7,754
State Aid	13,175	5,083	5,155	(72)
Machinery and Equipment	1,770	2,135	0	2,135
Watercraft Tax	99	96	0	96
RC - In Lieu PF Payment	0	17	0	17
Transfer from General	15,000	37,585	0	37,585
Total Cash Receipts	\$ 204,746	\$ 228,810	198,953	\$ 29,857
Expenditures				
Instruction	\$ 55,419	\$ 78,282	65,000	\$ 13,282
Student Support Services	6,942	22,363	10,000	12,363
Instructional Support Staff	0	3,882	0	3,882
General Administration	20,849	10,361	30,000	(19,639)
School Administration	0	0	0	0
Operations & Maintenance	5,411	2,661	15,000	(12,339)
Transportation	63,750	39,758	175,000	(135,242)
Building Improvement	21,862	8,003	60,000	(51,997)
Total Expenditures	\$ 174,233	\$ 165,310	355,000	\$ (189,690)
Cash Receipts Over (Under) Expenditures	30,513	63,499		
Modified Unencumbered Cash - Beginning	464,882	495,395		
Prior Year Cancelled Encumbrances				
Unencumbered Cash - Ending	\$ 495,395	\$ 558,894		

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426

Scandia, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2018

(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-4

DRIVER TRAINING FUND

		<u>Current Year</u>		
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts				
State Aid	\$ 2,233	\$ 1,792	1,960	\$ (168)
Other	0	71	0	71
Operating Transfers	<u>7,000</u>	<u>8,000</u>	<u>0</u>	<u>8,000</u>
Total Cash Receipts	\$ <u>9,233</u>	\$ <u>9,863</u>	<u>1,960</u>	\$ <u>7,903</u>
Expenditures				
Instruction	\$ 8,352	\$ 8,477	8,510	\$ (33)
Operating & Maintenance	363	0	400	(400)
Maintenance Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$ <u>8,715</u>	\$ <u>8,477</u>	<u>8,910</u>	\$ <u>(433)</u>
Cash Receipts Over (Under) Expenditures	518	1,386		
Modified Unencumbered Cash - Beginning	<u>10,269</u>	<u>10,787</u>		
Prior Year Cancelled Encumbrances				
Unencumbered Cash - Ending	\$ <u>10,787</u>	\$ <u>12,173</u>		

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SCHEDULE OF RECEIPTS AND EXPENDITURES

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For The Year Ended June 30, 2018

(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-5

AT RISK (K-12) FUND

	Prior Year Actual	Current Year		
		Actual	Budget	Variance Over (Under)
Cash Receipts				
Other Sources	\$ 0	\$ 0	\$ 0	\$ 0
Operating Transfers	<u>145,000</u>	<u>222,486</u>	<u>200,000</u>	<u>22,486</u>
Total Cash Receipts	\$ <u>145,000</u>	\$ <u>222,486</u>	\$ <u>200,000</u>	\$ <u>22,486</u>
Expenditures				
Instruction	\$ 130,425	\$ 125,219	191,600	\$ (66,381)
Support	15,916	52,841	17,520	35,321
Maintenance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$ <u>146,341</u>	\$ <u>178,060</u>	\$ <u>209,120</u>	\$ <u>(31,060)</u>
Cash Receipts Over (Under) Expenditures	(1,341)	44,426		
Modified Unencumbered Cash - Beginning	<u>141,915</u>	<u>140,574</u>		
Prior Year Cancelled Encumbrances				
Unencumbered Cash - Ending	\$ <u>140,574</u>	\$ <u>185,000</u>		

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426

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For The Year Ended June 30, 2018

(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-6

FOOD SERVICE FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Federal Aid	\$ 98,850	\$ 90,468	96,742	\$ (6,274)
State Aid	1,632	1,554	1,339	215
Student & Adult Receipts	57,363	60,098	51,544	8,554
Operating Transfers	45,000	45,000	0	45,000
Miscellaneous	544	249	30,000	(29,751)
Total Cash Receipts	\$ 203,389	\$ 197,369	\$ 179,625	\$ 17,744
Expenditures				
Food Service Operations	202,576	194,148	218,100	(23,952)
Total Expenditures	\$ 202,576	\$ 194,148	\$ 218,100	\$ (23,952)
Cash Receipts Over (Under) Expenditures	813	3,221		
Modified Unencumbered Cash - Beginning	45,072	45,885		
Prior Year Cancelled Encumbrances				
Unencumbered Cash - Ending	\$ 45,885	\$ 49,106		

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Scandia, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

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Regulatory Basis

For The Year Ended June 30, 2018

(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-7

INSERVICE EDUCATION FUND

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
State Aid	\$ 0	\$ 2,230	\$ 550	\$
Operating Transfers	5,000	10,000	0	10,000
Total Cash Receipts	\$ 5,000	\$ 12,230	\$ 550	\$ 10,000
Expenditures				
Instructional Support Staff	\$ 5,187	\$ 2,492	\$ 5,500	\$ (3,008)
Total Expenditures	\$ 5,187	\$ 2,492	\$ 5,500	\$ (3,008)
Cash Receipts Over (Under) Expenditures	(187)	9,738		
Modified Unencumbered Cash - Beginning	16,294	16,107		
Prior Year Cancelled Encumbrances				
Unencumbered Cash - Ending	\$ 16,107	\$ 25,845		

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Scandia, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

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For The Year Ended June 30, 2018

(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-8

SPECIAL EDUCATION FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State Aid	\$ 0	\$ 0	0	\$ 0
Local	0	0	0	0
Reimbursements	0	0	0	0
Operating Transfer	355,538	304,770	380,396	(75,626)
Total Cash Receipts	\$ 355,538	\$ 304,770	\$ 380,396	\$ (75,626)
Expenditures				
Instructional	\$ 332,594	\$ 314,576	386,412	\$ (71,836)
Vehicle Operating Service	7,958	0	8,210	(8,210)
Total Expenditures	\$ 340,552	\$ 314,576	\$ 394,622	\$ (80,046)
Cash Receipts Over (Under) Expenditures	14,986	(9,806)		
Modified Unencumbered Cash - Beginning	203,246	218,232		
Prior Year Cancelled Encumbrances				
Unencumbered Cash - Ending	\$ 218,232	\$ 208,426		

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SCHEDULE OF RECEIPTS AND EXPENDITURES

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For The Year Ended June 30, 2018

(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-9

CAREER & POST SECONDARY EDUCATION FUND

	Current Year			
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Federal	\$ 0	\$ 0	0	\$ 0
Misc	5,897	3,757	0	3,757
Operating Transfers	140,000	149,254	140,000	9,254
Total Cash Receipts	\$ 145,897	\$ 153,011	\$ 140,000	\$ 9,254
Expenditures				
Instruction	\$ 144,684	\$ 147,442	150,600	(3,158)
Total Expenditures	\$ 144,684	\$ 147,442	\$ 150,600	\$ (3,158)
Cash Receipts Over (Under) Expenditures	1,213	5,569		
Modified Unencumbered Cash - Beginning	138,218	139,431		
Prior Year Cancelled Encumbrances				
Unencumbered Cash - Ending	\$ 139,431	\$ 145,000		

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SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For The Year Ended June 30, 2018
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STATEMENT 3-10

AT RISK 4 YEAR OLD

		<u>Current Year</u>		
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts				
Other	\$ 0	\$ 1,740	\$ 5,000	\$ (3,260)
Operating Transfers	0	15,286	27,642	(12,356)
Total Cash Receipts	\$ 0	\$ 17,026	\$ 32,642	\$ (15,616)
Expenditures				
Instruction	\$ 0	\$ 17,026	\$ 32,642	\$ (15,616)
Total Expenditures	\$ 0	\$ 17,026	\$ 32,642	\$ (15,616)
Cash Receipts Over (Under) Expenditures	0	0		
Modified Unencumbered Cash - Beginning	0	0		
Prior Year Cancelled Encumbrances				
Unencumbered Cash - Ending	\$ 0	\$ 0		

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426

Scandia, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

Regulatory Basis

For The Year Ended June 30, 2018

(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-11

TEXTBOOK RENTAL FUND

	Prior Year Actual	Current Year Actual
Cash Receipts		
Rental Fees	\$ 10,212	\$ 6,496
Transfers	0	0
Total Cash Receipts	<u>10,212</u>	<u>6,496</u>
Expenditures		
Instruction Supplies	<u>10,410</u>	<u>26,794</u>
Total Expenditures	<u>10,410</u>	<u>26,794</u>
Cash Receipts Over (Under) Expenditures	(198)	(20,298)
Modified Unencumbered Cash - Beginning	<u>40,720</u>	<u>40,522</u>
Prior Year Cancelled Encumbrances		
Unencumbered Cash - Ending	\$ <u>40,522</u>	\$ <u>20,224</u>

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426
Scandia, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For The Year Ended June 30, 2018
(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-12

EMPLOYEES BENEFIT FUND

	Prior Year Actual	Current Year Actual
	<hr/>	<hr/>
Cash Receipts		
Dependent Child Care	\$ 150	\$ 0
Medical Reimbursement	2,815	0
	<hr/>	<hr/>
Total Cash Receipts	2,965	0
	<hr/>	<hr/>
Expenditures		
DayCare Reimbursement	470	0
Medical Reimbursement	5,162	0
	<hr/>	<hr/>
Total Expenditures	5,632	0
	<hr/>	<hr/>
Cash Receipts Over (Under) Expenditures	(2,667)	0
Modified Unencumbered Cash - Beginning	3,694	1,027
	<hr/>	<hr/>
Prior Year Cancelled Encumbrances		
Unencumbered Cash - Ending	\$ 1,027	\$ 1,027
	<hr/>	<hr/>

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426
Scandia, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For The Year Ended June 30, 2018
(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-13

TITLE II A TEACHER QUALITY FUND

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Grant	\$ <u>8,090</u>	\$ <u>6,110</u>
Total Cash Receipts	<u>8,090</u>	<u>6,110</u>
Expenditures		
Technical Services	<u>8,090</u>	<u>6,110</u>
Total Expenditures	<u>8,090</u>	<u>6,110</u>
Cash Receipts Over (Under) Expenditures	0	0
Modified Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Prior Year Cancelled Encumbrances		
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426
Scandia, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For The Year Ended June 30, 2018
(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-14

TITLE I FUND - CURRENT

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal Sources	\$ <u>37,381</u>	\$ <u>41,366</u>
Total Cash Receipts	<u>37,381</u>	<u>41,366</u>
Expenditures		
Instruction	<u>37,381</u>	<u>41,366</u>
Total Expenditures	<u>37,381</u>	<u>41,366</u>
Cash Receipts Over (Under) Expenditures	0	0
Modified Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Prior Year Cancelled Encumbrances		
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426

Scandia, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

Regulatory Basis

For The Year Ended June 30, 2018

(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-15

TITLE IV-A

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal	\$ 0	\$ 1,000
Total Cash Receipts	<u>0</u>	<u>1,000</u>
Expenditures		
Instruction	0	1,000
Materials and Equipment	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>1,000</u>
Cash Receipts Over (Under) Expenditures	0	0
Modified Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Prior Year Cancelled Encumbrances		
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426
Scandia, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis

For The Year Ended June 30, 2018
(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-16

KPERS RETIREMENT FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Transfers	\$ 110,696	\$ 175,772	\$ 176,007	\$ (235)
Total Cash Receipts	\$ 110,696	\$ 175,772	\$ 176,007	\$ (235)
Expenditures				
Instructional	\$ 64,204	\$ 101,948	106,000	\$ (4,052)
Student Support	7,749	12,304	18,000	(5,696)
Instructional Support	3,320	5,273	4,000	1,273
Principals/Sec	7,748	12,304	8,000	4,304
General Administration			18,500	
School Administration	13,284	21,093	0	21,093
Maintenance	6,642	10,546	12,000	(1,454)
Transportation	2,214	3,515	2,500	1,015
Food Service	5,535	8,789	7,007	1,782
Total Expenditures	\$ 110,696	\$ 175,772	\$ 176,007	\$ 18,265
Cash Receipts Over (Under) Expenditures	0	0		
Modified Unencumbered Cash - Beginning	0	0		
Prior Year Cancelled Encumbrances				
Unencumbered Cash - Ending	\$ 0	\$ 0		

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426
Scandia, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For The Year Ended June 30, 2018
(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-17

CONTINGENCY RESERVE FUND

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Operating Transfers	\$ <u>0</u>	\$ <u>0</u>
Total Cash Receipts	<u>0</u>	<u>0</u>
Expenditures		
Transfer	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>
Cash Receipts Over (Under) Expenditures	0	0
Modified Unencumbered Cash - Beginning	<u>198,121</u>	<u>198,121</u>
Prior Year Cancelled Encumbrances		
Unencumbered Cash - Ending	\$ <u>198,121</u>	\$ <u>198,121</u>

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426

Scandia, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2018

(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-18

GIFT FUND

		<u>Current Year</u>		
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts				
Operating Transfers	\$ <u>61,887</u>	\$ <u>15,948</u>	<u>0</u>	\$ <u>15,948</u>
Total Cash Receipts	\$ <u><u>61,887</u></u>	\$ <u><u>15,948</u></u>	\$ <u><u>0</u></u>	\$ <u><u>15,948</u></u>
Expenditures				
Instruction	\$ <u>64,255</u>	\$ <u>19,220</u>	\$ <u>0</u>	\$ <u>19,220</u>
Total Expenditures	\$ <u><u>64,255</u></u>	\$ <u><u>19,220</u></u>	\$ <u><u>0</u></u>	\$ <u><u>19,220</u></u>
Cash Receipts Over (Under) Expenditures	(2,368)	(3,273)		
Modified Unencumbered Cash - Beginning	<u>19,972</u>	<u>17,604</u>		
Prior Year Cancelled Encumbrances				
Unencumbered Cash - Ending	\$ <u><u>17,604</u></u>	\$ <u><u>14,331</u></u>		

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426
Scandia, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For The Year Ended June 30, 2018
(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-19

FEDERAL SMALL RURAL SCHOOLS

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Grant	\$ <u>16,760</u>	\$ <u>27,585</u>
Total Cash Receipts	<u>16,760</u>	<u>27,585</u>
Expenditures		
Technical Services	<u>17,582</u>	<u>27,585</u>
Total Expenditures	<u>17,582</u>	<u>27,585</u>
Cash Receipts Over (Under) Expenditures	(822)	0
Modified Unencumbered Cash - Beginning	<u>822</u>	<u>0</u>
Prior Year Cancelled Encumbrances		
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426
Scandia, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For The Year Ended June 30, 2018
(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-20

PAYROLL CLEARING FUND

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Payroll Deductions	\$ <u>63,947</u>	\$ <u>10,886</u>
Total Cash Receipts	<u>63,947</u>	<u>10,886</u>
Expenditures		
Insurance Premiums	<u>75,261</u>	<u>14,353</u>
Total Expenditures	<u>75,261</u>	<u>14,353</u>
Cash Receipts Over (Under) Expenditures	(11,314)	(3,467)
Modified Unencumbered Cash - Beginning	<u>14,781</u>	<u>3,467</u>
Prior Year Cancelled Encumbrances		
Unencumbered Cash - Ending	\$ <u>3,467</u>	\$ <u>0</u>

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426
Scandia, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For The Year Ended June 30, 2018
(With Comparative Actual Totals for Prior Year Ended June 30, 2017)

STATEMENT 3-21

CHARACTER EDUCATION GRANT

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal Grant	\$ <u>0</u>	\$ <u>0</u>
Total Cash Receipts	<u>0</u>	<u>0</u>
Expenditures		
Education	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>
Cash Receipts Over (Under) Expenditures	0	0
Modified Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Prior Year Cancelled Encumbrances		
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426
Scandia, Kansas

SUMMARY OF RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
Regulatory Basis
For The Year Ended June 30, 2018

STATEMENT 4

TRUST FUNDS

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances/ Accounts Pay.	Ending Cash Balance
Activity							
Haywood Ostberg	\$ 134,797	\$	1,562	4,000	\$ 0	\$ 0	132,359
	0						
Total Trust Funds	\$ 134,797	\$	1,562	4,000	\$ 0	\$ 0	132,359

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426
Scandia, Kansas

SUMMARY OF RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
Regulatory Basis
For The Year Ended June 30, 2018

DISTRICT/SCHOOL ACTIVITY-AGENCY FUNDS

STATEMENT 5

Fund	Beginning Unencumberd Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumberd Cash Balance	Add Encumbrances/ Accounts Pay.	Ending Cash Balance
High School Agency							
Concessions	\$ 848	\$	\$ 5,652	\$ 1,831	\$ 4,669	\$	\$ 4,669
Class of 2015	8,107		12,924	16,932	4,099		4,099
FFA	5,314		25,963	22,385	8,892		8,892
Kayettes	1,921		2,839	3,282	1,478		1,478
Student Council	318		2,000	1,547	771		771
FCCLA	35		0	0	35		35
Play	5,134		4,645	3,876	5,903		5,903
Office Activities	399		2,520	227	2,692		2,692
Library	0		983	77	906		906
National Honor Society	331		1,755	1,374	712		712
Robotics	251		157	274	134		134
Music Club	107		0	47	60		60
Panther Prints	6,762		10,870	11,254	6,378		6,378
Greenhouse	0		0	0	0		0
PV SADD	(46)		46	0	0		0
Cheerleaders	2,041		9,006	7,544	3,503		3,503
FCA Club	30		12	0	42		42
FBLA	793		3,232	3,823	202		202
Subtotal High School	\$ 32,345	\$	\$ 82,604	\$ 74,473	\$ 40,476	\$ 0	\$ 40,476
Junior High Agency							
Jr. High Pep Club	\$ 1,334	\$	\$ 2,848	\$ 3,763	\$ 419	\$	\$ 419
Library	105		5,220	5,103	222		222
Panther Paws	0		1,755	1,755	0		0
Stucco	585		0	559	26		26
Playground Equipment	99		0	0	99		99
Subtotal Middle School	\$ 2,123	\$	\$ 9,823	\$ 0	\$ 766	\$ 0	\$ 766
Total Agency Accounts	\$ 34,468	\$ 0	\$ 92,427	\$ 74,473	\$ 41,242	\$ 0	\$ 41,242
Athletic Gate Receipts-Activity							
High School	\$ 3,480	\$	\$ 22,235	\$ 21,425	\$ 4,290	\$	\$ 4,290
Junior High	1,651		0	0	1,651		1,651
Subtotal Athletic Receipts	\$ 5,131	\$	\$ 22,235	\$ 21,425	\$ 5,941	\$ 0	\$ 5,941
Clearing Accounts-Activity							
High School Activity							
Lunch	\$ 0	\$	\$ 19,226	\$ 19,226	\$ 0	\$	\$ 0
Industrial Arts	0		2,691	2,691	0		0
Drivers Ed	0		85	85	0		0
Band	0		133	133	0		0
Book Rental	0		2,178	2,178	0		0
FACS	0		10	10	0		0
Art	0		189	189	0		0
Laptop	0		3,200	3,200	0		0
Petty Cash	0		1,200	1,200	0		0
Junior High Activity							
Lunch	(387)		41,467	41,080	0		0
Book Rental	(37)		4,557	4,520	0		0
Band	0		315	315	0		0
Petty Cash	0		3,620	3,620	0		0
Subtotal Clearing	\$ (424)	\$	\$ 78,871	\$ 78,447	\$ 0	\$ 0	\$ 0
Total Activity Funds	\$ 4,707	\$ 0	\$ 101,106	\$ 99,872	\$ 5,941	\$ 0	\$ 5,941

